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July 31, 2006

Mr. Charles L.A. Terreni
Chief Clerk of the Commission
SC Public Service Commission
P. O. Drawer 11649
Columbia, SC 29211

RE: Duke Power Annual Review of Base Rates for Fuel Costs
Docket No. 2006-3-E

Dear Mr. Terreni:

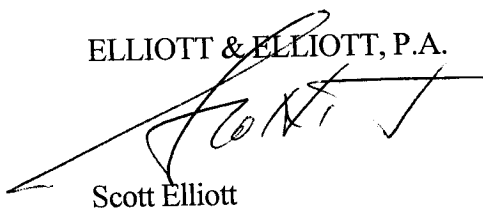
Enclosed please find for filing an original and ten (10) copies of the South Carolina Energy Users Committee's Second Set of Interrogatories to Duke Power, together with a Certificate of Service in the above-captioned matter.

I have enclosed an extra copy of the Interrogatories which I would ask you to date stamp and return to me in the self-addressed, stamped envelope provided for your convenience. By copy of this letter, I am serving all parties of record.

Thank you in advance for your assistance in this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

ELLIOTT & ELLIOTT, P.A.



Scott Elliott

SE/jcl

Enclosures

cc: Parties of record w/enclosures

UNFILED

STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION
DOCKET NO. 2006-3-E

IN THE MATTER OF:)	
)	
Duke Power Annual Review of Base Rates)	SCEUC'S SECOND SET OF
For Fuel Costs)	INTERROGATORIES
)	TO DUKE POWER
)	

TO: DUKE POWER AND ITS ATTORNEYS, LARA S. NICHOLS, ESQUIRE
AND WILLIAM F. AUSTIN, ESQUIRE.

In accordance with S.C. Code Ann. Regs. R.103-851, and R.103-854, Intervenor, the South Carolina Energy Users Committee ("SCEUC" or "Intervenor") requests the Applicant, Duke Power ("Duke" or "Utility") answer the following interrogatories within ten (10) days from the date of service, under oath, through the individual officers, managing agents, employees, members or representatives who are most knowledgeable with respect to the subject to which each respective interrogatory is addressed.

INSTRUCTIONS

The Intervenor requests Utility to serve its responses upon the Intervenor's undersigned counsel not later than ten (10) days after the service hereof. The interrogatories are to be deemed to be of a continuing nature so as to require supplementation and amendment promptly, as necessary, in order to comport with facts and information that is known or available to you at the time of the initial responses of these interrogatories. The responses to these interrogatories should be provided to the Intervenor by delivery to the undersigned at 721 Olive Street, Columbia, South Carolina 29205.

If Utility claims a privilege as to any interrogatory, with respect thereto, set forth the following:

1. Who possesses any requested document;
2. Who has reviewed any requested document;
3. The author, recipient and any copyholders of any requested documents;
4. The parties to any covered conversation, if it is a recording or transcript;
5. Who prepared the requested document;
6. The date of the requested document;
7. The type of document; and
8. The type of privilege asserted.

DEFINITIONS

A. As used herein, the term "Document" is used in the broadest sense and includes, but is not limited to, any written, printed, recorded, typed or graphic matter, however produced or reproduced, including all non-identical copies thereof and further including, but not limited to, any books, ledgers, pamphlets, periodicals, brochures, letters, memoranda, advertisements, proposals, telegrams, telexes, reports, telephone logs, drafts, business records, handwritten notes, bills, checks, invoices, charts, graphs, indices, tapes, transcripts, data sheets, records of telephone calls, data processing cards, and electronically-stored data such as documents stored on network drives, hard drive, cd-rom optical disks, magnetic tape, 3.5 in and 5.25 inch floppy disks, electronic mail files, both current and deleted, and any other computer files of whatever type which are in Utility possession, custody or control.

B. As used herein, the words “and” and “or” shall be construed either disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and this request any documents which might otherwise be construed to be outside its scope.

C. Wherever applicable, the singular form of a word should be interpreted as plural.

D. As used herein, the word “you” or “your” means or refers to Utility, its agents, consultants, or any member, officer or other representative of Utility.

E. As used herein, the word “identify” means provision of dates, times, places, and parties to any oral communication. With respect to any other communication, it means the date, length and medium of communication or document. With respect to any person(s), it means name, title, address and telephone number.

INTERROGATORIES

SCEUC 2-1. Please describe how Duke valued the cost of the coal (LIFO, FIFO, average cost, etc.) for which it seeks recovery in this proceeding.

SCEUC 2-2. Please describe how Duke valued the cost of the nuclear fuel for which it seeks recovery in this proceeding.

SCEUC 2-3. Please describe how Duke valued the cost of the natural gas and oil for which it seeks recovery in this proceeding.

SCEUC 2-4. Please provide all workpapers used to create the requested monthly emission allowance expense as found in Hager Exhibit 1, Line 2.

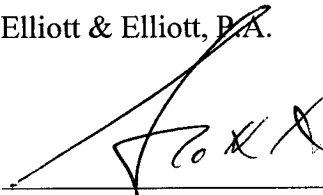
SCEUC 2-5. Please provide a narrative description of how Duke calculated the emission allowance expense as found in Hager Exhibit 1, Line 2. Are the figures found in line 2 based on actual costs, replacement costs, LIFO, FIFO, or some other valuation method?

SCEUC 2-6. Please provide the actual costs for all emission allowances in Duke’s inventory.

SCEUC 2-7. Please provide the electronic Excel spreadsheets of Hager Exhibits 1, 5, and 6.

SCEUC 2-8. Please state the method that Duke proposes to use for recovery of emission allowance costs recovered through wholesale sales of power in the current fuel adjustment proceeding. Please provide all associated workpapers to support the calculation of recovery of these wholesale-related emission allowance costs.

Elliott & Elliott, P.A.

A handwritten signature in black ink, appearing to read "Scott Elliott", is written over a horizontal line.

Scott Elliott
721 Olive Street
Columbia, SC 29205
803-771-0555 Phone
803-771-8010 Fax

ATTORNEY FOR SOUTH CAROLINA
ENERGY USERS COMMITTEE

Columbia, South Carolina

July 31, 2006

CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that (s)he has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Duke Power Annual Review of Base Rates for Fuel Costs

DOCKET NO.: 2006-3-E

PARTIES SERVED: Lara S. Nichols, Esquire
Duke Power
P. O. Box 1244
Charlotte, NC 28201-1244

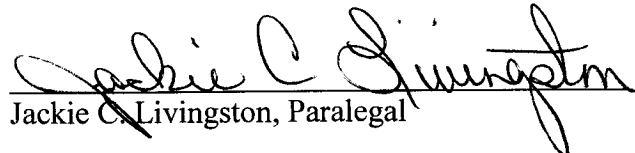
Wendy B. Cartledge, Esquire
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C. Lessie Hammonds, Esquire
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William F. Austin, Esquire
Austin, Lewis & Rogers
P. O. Box 11716
Columbia, SC 29201

PLEADING: SCEUC's SECOND SET OF INTERROGATORIES
TO DUKE POWER

July 31, 2006


Jackie C. Livingston, Paralegal